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TELECON WITH CNEB ON MON., AUG 14<sup>th</sup>, 2006

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**Background:**

State received an application for a Presidential Permit from TransCanada for a transboundary oil pipeline called "Keystone". Under Section 22 of the US Code of Federal Regulations and Executive Order 13337, State has the responsibility for such permit and therefore, under NEPA, for the environmental assessments of impacts for oil pipelines that cross the borders of Mexico or Canada.

The Presidential Permit authorizes the construction, operation, and maintenance of pipeline facilities at such borders.

An outreach telephone conference call to CNEB was placed on August 14<sup>th</sup> to understand the CNEB process and to address the Advisory Council on Historic Preservation Section 402 issue as to State's responsibilities for impacts internationally. Section 402 provides that prior to the approval of any Federal undertakings outside the United State which may directly and adversely affect a property which is on the World Heritage List or on the applicable country's equivalent of the National Register, ... [the agency] shall take into account the effect of the undertaking on such property for purposes of avoiding or mitigating any adverse effects.

**Current standing:**

On 5 June 2006, CNEB received a joint application from TransCanada and Keystone under section 74 of the National Energy Board Act (NEBA) requesting approval for TransCanada to sell and Keystone to acquire TransCanada's existing natural gas pipeline. Keystone has indicated that it intends to submit a second application later in 2006 under section 52 of the NEBA requesting approval to convert the gas line to oil and for approximately 400 km of new pipeline construction.

The NEB is currently assessing a motion from an intervener (Communications, Energy, and Paperworkers Union of Canada) in the section 74 process to adjourn the section 74 process and essentially, combine the section 52 and 74 process.

Section 74 public hearing set for end of OCT in Calgary regarding the sale and purchase part of application. The outcome of the intervener motion could affect the timing of this hearing.

**CNEB Process:**

The CNEB received a preliminary info package from Keystone on 10 July 2006 allowing them to start the EA process for the converted service (see above) and about 390 kilometers of new construction.  
-the filing started the process

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- CNEB is lead responsible agency under the Canadian Environmental Assessment Act (like our NEPA) and they have an agency similar to CEQ to administer the Act
- they are sending out letters to other govt. agencies to determine interest & meetings to decide to go forward
- they are at the screening level assessment and will get info from other departments
- the applicant does EA and field studies they file with CNEB
- these documents are reviewed by CNEB and other governmental agencies
- end of process: the Canadian govt. will find either a recommendation of no significant impact or if find significant impact referred to review at a panel or stopped at that time

Estimated time frame for final decision:

Typically an application if no snags - NOV to DEC 07 earliest - about 8 to 10 months for application to be typically approved.

Related applications - possibly impact the estimated time frame.

For STATE's EIS:

Kent will be the lead and POC. Chris is the team leader. We can incorporate their EA into our EIS.

As for ACHP: there is a conversion of existing pipeline and new construction of 390 kms of new pipeline. The new construction will be adjacent (parallel) to existing pipeline right of ways. As such, there are no World Heritage sites or sites nationally recognized for historical or cultural value on the proposed Keystone pipeline route.

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